Caring for America's Heroes

Dr. George Peach Taylor, Jr.
Performing the Duties of
Assistant Secretary of Defense for Health Affairs

MHS Capstone Symposium
October 18, 2010

The Quadruple Aim

READINESS

Enabling a medically ready force, a ready medical force, and resiliency of all MHS personnel.

POPULATION HEALTH

Improving quality and health outcomes for a defined populations. Advocating and incentivizing healthy behaviors.

EXPERIENCE OF CARE

Patient- and family-centered care that is seamless and integrated. Providing patients the care they need, exactly when and where they need it.

PER CAPITA COST

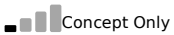
Managing the cost of providing care. Eliminate waste and reduce unwarranted variation; reward outcomes, not outputs.

ASD-HA Priorities

- Wounded Warrior Care
- Patient Centered Medical Home
- Electronic Health Record
- BRAC
- TRICARE Contracts
- Cost Containment

MHS Strategic Imperatives Scorecard

	Strategic Imperative	Exec Sponsor	Performance Measure	Development Status	Last Quarter	Current Performance	Change	FY2010 Target	FY2011 Target	FY2012 Target	FY2014 Target	Strategic Initiatives
Readiness	Individual and Family Medical Readiness	FHPC	Individual Medical Readiness		71%	74%	+3%	80%	81%	82%	85%	IMR programs (e.g., addressing dental class 4, overdue PHAs, etc.)
		TBD	Measure of Family Readiness (i.e., PHA for families)		-	-	-	-	-	-	-	
	Psychological Health & Resiliency	FHPC	PTSD Screening, Referral and Engagement (R/T)		44%/69%	48%/72%	+4/+3%	40%/65%	40%/65%	40%/65%	40%/65%	Psychological Health
		FHPC	Depression Screening, Referral and Engagement (R/T)		60%/73%	62%/74%	+2/+1%	40%/65%	40%/65%	40%/65%	40%/65%	
Population Health	Engaging Patients in Healthy Behaviors	CPSC	MHS Cigarette Use Rate (AD 18-24)		22%	27%	-5%	20%	19%	18%	16%	Healthy Behaviors/Lifestyle Programs
		CPSC	Prevalence of Obesity Among Adults and Adolescents/ Children		-	-	-	-	24%/14%	21%/11%	15%/5%	
		CPSC	HEDIS Index – Preventive Screens		12	12	----	12	13	13	14	
Experience of Care	Evidence-Based Care	CPSC	HEDIS Index – Adhering to Evidence Based Guidelines		8	8	----	8	8	9	10	Evidence Based Care
		CPSC	Overall Hospital Quality Index (ORYX)		87%	90%	+3%	88%	89%	90%	92%	
	Wounded Warrior Care	CPSC	MEBs Completed Within 30 Days		30%	52%	+22%	80%	60%	TBD	TBD	Wounded Warrior Programs
		CPSC	Favorable MEB Experience Rating		46%	59%	+13%	45%	65%	70%	75%	
		CPSC	Effectiveness of Care for Complex Medical/Social Problems		-	-	-	-	-	-	-	
	24/7 Access to Your Medical Home	JHOC	Primary Care 3rd Available Appointment (Routine / Acute)		-	69%/51%	-	90%/75%	TBD	92%/77%	94%/79%	Disability Evaluation System Redesign
		JHOC	Getting Timely Care Rate		74%	77%	+3%	78%	78%	80%	82%	
		JHOC	Potential Recapturable Primary Care Workload for MTF Enrollees		-	32%	-	28%	26%	24%	22%	
	Personal Relationship with Your Doctor	JHOC	Percentage of Visits Where MTF Enrollees See Their PCM		45%	44%	-1%	60%	60%	65%	70%	Patient Centered Medical Home
		JHOC	Satisfaction with Health Care		59%	60%	+1%	60%	61%	62%	64%	
Per Capita Cost	Align Incentives to Promote Outcomes and Increase Value for Stakeholders		Impact of Deployments on MTFs		-	-	-	-	-	-	-	Performance Planning Pilots
		CFOIC	Annual Cost Per Equivalent Life (PMPM)		10%	7.1%	-2.9%	6,1%	TBD	TBD	TBD	
		CFOIC	Enrollee Utilization of Emergency Services		72/100	45/100*	-27/100*	35/100	35/100	30/100	25/100	
Learning & Growth	Effective Knowledge Management	CPSC	User Assessment of EHR		-	-	-	-	-	-	-	EHR Way Ahead
	Using Research to Improve Performance	CFOIC	Effectiveness in Going from Product to Practice (Translational Research)		-	-	-	-	-	-	-	Centers of Excellence
	Fully Capable MHS Workforce	CFOIC	Human Capital Readiness		-	-	-	-	-	-	-	BRAC / Facility Transformation
		CFOIC	Staff Satisfaction / Team Function		-	-	-	-	-	-	-	



Measure Algorithm Developed

Current Performance Known and FY10 Target Approved

Out-Year Targets Approved

*Denotes change in measure algorithm

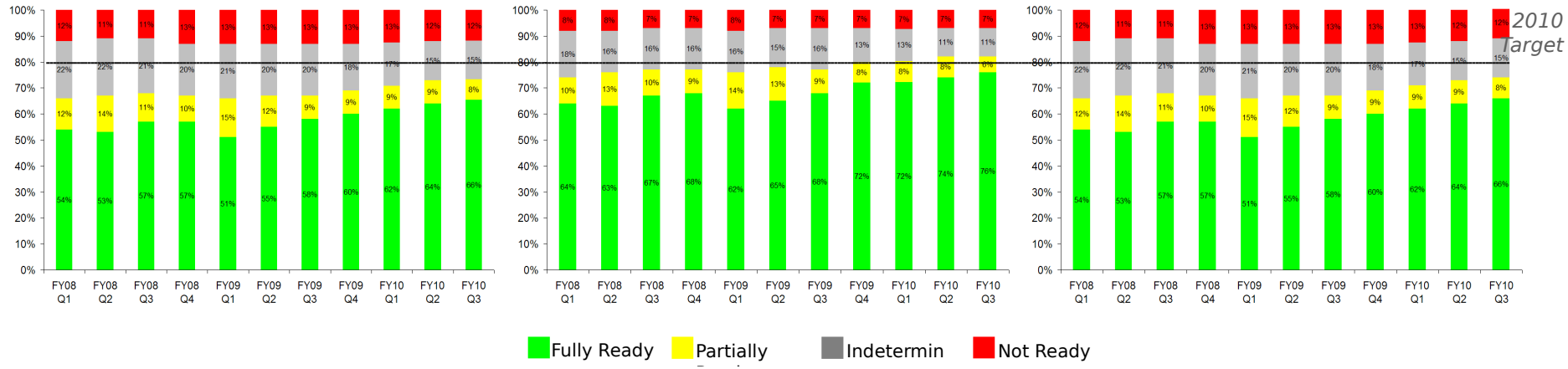
Design Phase

Approved

Funded

Individual Medical Readiness

We have noted steady improvement over the last year two fiscal years, and currently 6% below the 2010 target. Our greatest opportunity for improvement is the Reserve Component.



FY10 Q3

	Army			Navy			Air Force			Marines			Coast Guard		
	AC	RC	Total	AC	RC	Total	AC	RC	Total	AC	RC	Total	AC	RC	Total
Fully Ready	272,889	211,069	483,958	185,190	41,069	226,259	202,016	107,644	309,660	104,805	22,463	127,268	24,324	4,701	29,025
Partially Ready	15,693	58,907	74,600	25,831	2,443	28,274	12,376	6,711	19,087	7,069	3,844	10,913	4,574	1,006	5,580
Indeterminant	50,632	133,653	184,285	27,291	1,719	29,010	10,197	14,961	25,158	12,476	5,267	17,743	13,488	1,910	15,398
Not Ready	28,511	119,746	148,257	12,171	4,186	16,357	20,114	5,778	25,892	12,331	3,547	15,878	461	123	584
Total Strength	367,725	523,375	891,100	250,483	49,417	299,900	244,703	135,094	379,797	136,681	35,121	171,802	42,847	7,740	50,587

About the Measure

What are we measuring? This measure is the best-available indicator of the medical readiness of the total force based on requirements in DoDI 6025.19 and as reported by the Services via the DoD IMR Working Group. The elements of IMR are: (1) dental readiness, (2) immunization status, (3) individual medical equipment, (4) medical readiness laboratory studies, (5) no deployment limiting medical condition and (6) periodic health assessment (PHA). The Directive sets a goal of 75% fully medically ready; the IMR working group has set a target of 80% total force medically ready (i.e., fully + partially ready).

Why is it important? This measure provides operational commanders, Military Department leaders, and primary care managers the ability to monitor the medical readiness status of their personnel, ensuring a healthy and fit fighting force medically ready to deploy.

What does our performance tell us? The Total Force medical readiness has shown slow by steady improvement for the last two fiscal years, with the Active Component being higher than

Executive Sponsor: FHPC

Working Group: IMR Working Group

Measure Advocate:
Col José Rodriguez-Vazquez, T
MA-FHP&RP; (703) 578-8572

Monitoring: Quarterly

Data Source: Service Data Repositories

Other Reporting: Service

Status Thresholds:

- Green: ≥ 80%
- Yellow: 71% ~ 79%
- Red: ≤ 70%

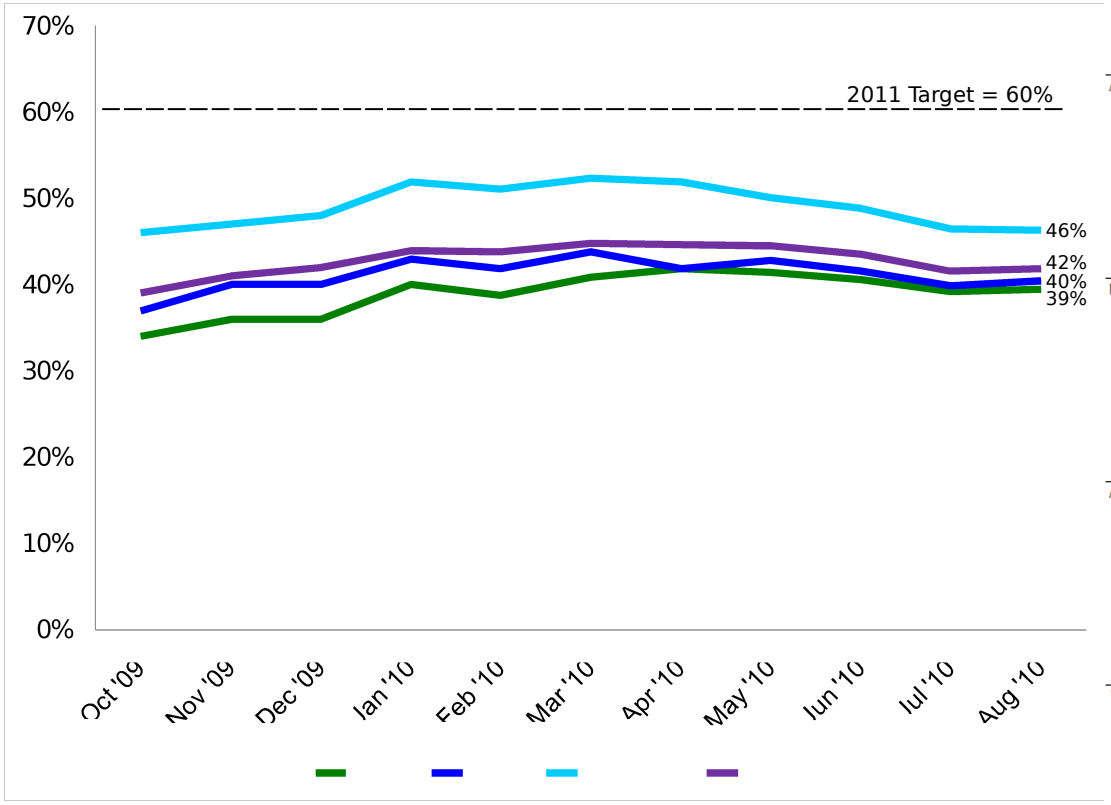
Targets*:

- 2011: 81%
- 2012: 82%
- 2014: 85%

*Fully + Partially

Percent of Visits Where MTF Enrollees See Their PCM

Processes at several of our top performing MTFs should be captured and disseminated to assist other MTFs.



	Facility Name	Percent of Appts Where Patients Saw Their Assigned PCM	Number of Appts Where Patients Saw Their Assigned PCM	Total Number of Appointments
Army	US ARMY HEALTH CLINIC-MCCHORD AFB	74.14%	1,201	1,620
	AHC BAUMHOLDER	70.83%	1,139	1,608
	DUNHAM AHC	68.31%	1,636	2,395
	AHC KAISERSLAUTERN	66.67%	694	1,041
	WARRIOR CLINIC-FT. CARSON	63.24%	1,273	2,013
	SOLDIER FAMILY MED CLINIC BIGGS-FT. BL	9.94%	322	3,241
	BRIAN ALLGOOD ACH	7.96%	105	1,319
	USAHC CAMP HUMPHREYS	5.67%	59	1,040
	MONROE CONSOLIDATED-FT. HOOD	3.94%	153	3,888
	AVIATION MEDICINE CLINIC	0.10%	1	1,040
Navy	TRICARE OUTPATIENT-OCEANSIDE	74.67%	799	1,070
	NBHC YORKTOWN	65.74%	353	537
	NBHC PORTSMOUTH	65.38%	457	699
	NH OAK HARBOR	63.60%	2,013	3,165
	BMC MCAS MIRAMAR	63.59%	978	1,538
	NH OKINAWA	13.94%	298	2,138
	NBHC BANCROFT HALL	13.62%	268	1,967
	NBHC COMFLEACT SASEBO	11.08%	76	686
	NBHC THE BASIC SCHOOL	8.52%	60	704
	NBHC NSA BAHRAIN	5.34%	84	1,573
Air Force	45th MEDICAL GROUP	77.02%	2,121	2,754
	20th MEDICAL GROUP	73.05%	2,063	2,824
	355th MEDICAL GROUP	69.91%	2,574	3,682
	15th MEDICAL GROUP	64.18%	1,677	2,613
	75th MEDICAL GROUP	63.57%	2,275	3,579
	51st MEDICAL GROUP	26.45%	469	1,773
	65th MEDICAL GROUP	26.33%	134	509
	4th MEDICAL GROUP	25.57%	690	2,698
	71st MEDICAL GROUP	25.56%	251	982
	39th MEDICAL GROUP	21.49%	164	763

**Only includes facilities with 500 or more appointments*

About the Measure

What are we measuring? We are measuring the percentage of visits that MTF prime enrollees see their primary care manager (PCM). Numerator is # of appointments where patients saw their assigned PCM and denominator is Total number of appointments. Note: This measure no longer filters out visits where the patient's PCM is not in clinic.

Why is it important? This is important because we believe PCM continuity improves patient-provider communication and trust, which leads to more activated patients and a positive impact on every aspect of the quadruple aim.

What does our performance tell us? In FY10, we have realized gradual improvement, with a number of MTFs meeting the 2010 target. Performance appears to have flattened during the 3rd quarter and the current trajectory would indicated we will not meet our goal of 60%. We may be able

Executive Sponsor: JHOC

Working Group: None

Measure Advocate: TBD

Monitoring: TBD

Data Source: CHCS

Status Thresholds:

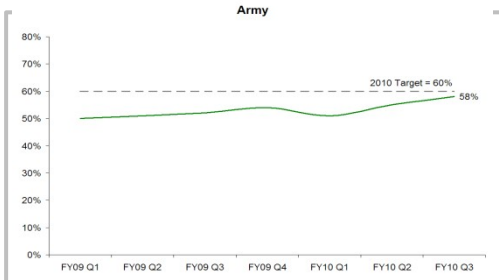
- Green: ≥ 60%
- Yellow: 40% -59%
- Red: ≤ 39%

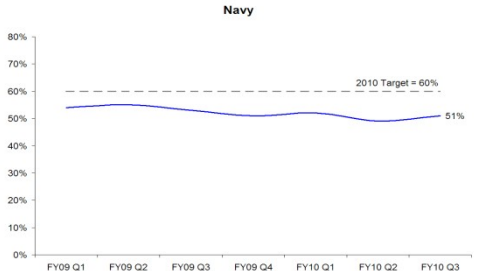
Targets:

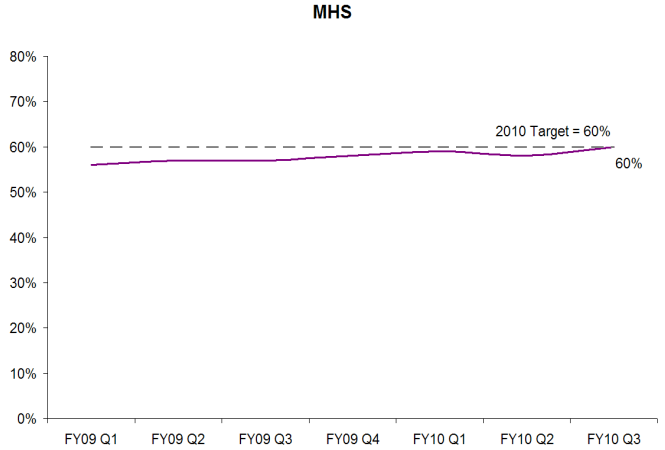
- 2011: 60%
- 2012: 65%
- 2014: 70%

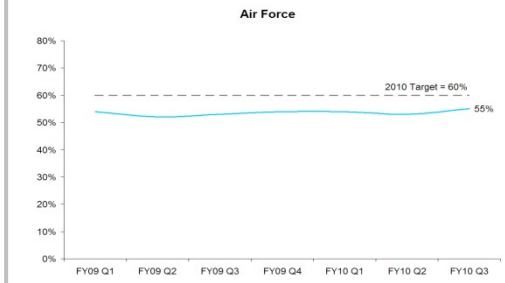
G. Percent of Beneficiaries Satisfied With Health Care

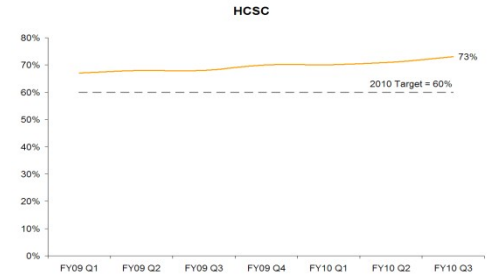
Satisfaction has increased and we were able to achieve our FY10 target. Satisfaction in the private sector is consistently higher than that in the direct care system.











Response of 8, 9 and 10 (using scale of 0 to 10)

	FY09 Q1		FY09 Q2		FY09 Q3		FY09 Q4		FY10 Q1		FY10 Q2		FY10 Q3		Total
	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Percent	Volume	Volume
Army Prime Enrollees	50%	1,388	51%	1,407	52%	1,210	54%	1,086	51%	1,230	55%	1,384	58%	1,433	9,138
Navy Prime Enrollees	54%	1,702	55%	1,726	53%	1,500	51%	1,465	52%	1,486	49%	1,695	51%	1,744	11,318
AF Prime Enrollees	54%	3,051	52%	3,058	53%	2,684	54%	2,447	54%	2,385	53%	2,969	55%	3,146	19,740
HCSC Prime Enrollees	67%	800	68%	766	68%	752	70%	707	70%	657	71%	722	73%	782	5,186
MHS Enrollees	56%	6,775	57%	6,707	57%	6,056	58%	5,570	59%	5,684	58%	6,614	60%	6,927	44,333
Total		13,716		13,664		12,202		11,275		11,442		13,384		14,032	89,715

About the Measure

What are we measuring? We are measuring beneficiary satisfaction with overall health care using the Consumer Assessment of Healthcare Providers and Systems (CAHPS) Health Plan Survey 4.0. Beneficiaries are asked: Using any number from 1 to 10, where 0 is the worst health care possible and 10 is the best health care possible, what number would you use to rate all your health care in the last 12 months? Responses of 8, 9, or 10 indicate patient satisfaction. The benchmark comes from CAHPS average of 250 health plans.

Why is it important? More satisfied beneficiaries are more likely to follow our advice regarding health choices and are more likely to come to our providers for health services.

What does our performance tell us? Although statistically insignificant, the overall trend in recent quarters has been positive, and as a system we reached our 2010 goal in 3rd

Executive Sponsor: JHOC

Working Group: Tri-Svc Survey WG

Measure Advocate:
Dr. Rich Bannick,
TMA-HPA&E; (703) 681-3636

Monitoring: Quarterly

Data Source: Health Care Survey of DoD Beneficiaries

Other Reporting: Status of Forces

Status Thresholds:

- Green: ≥ 60%
- Yellow: 46% - 59%
- Red: ≤ 45%

Targets:

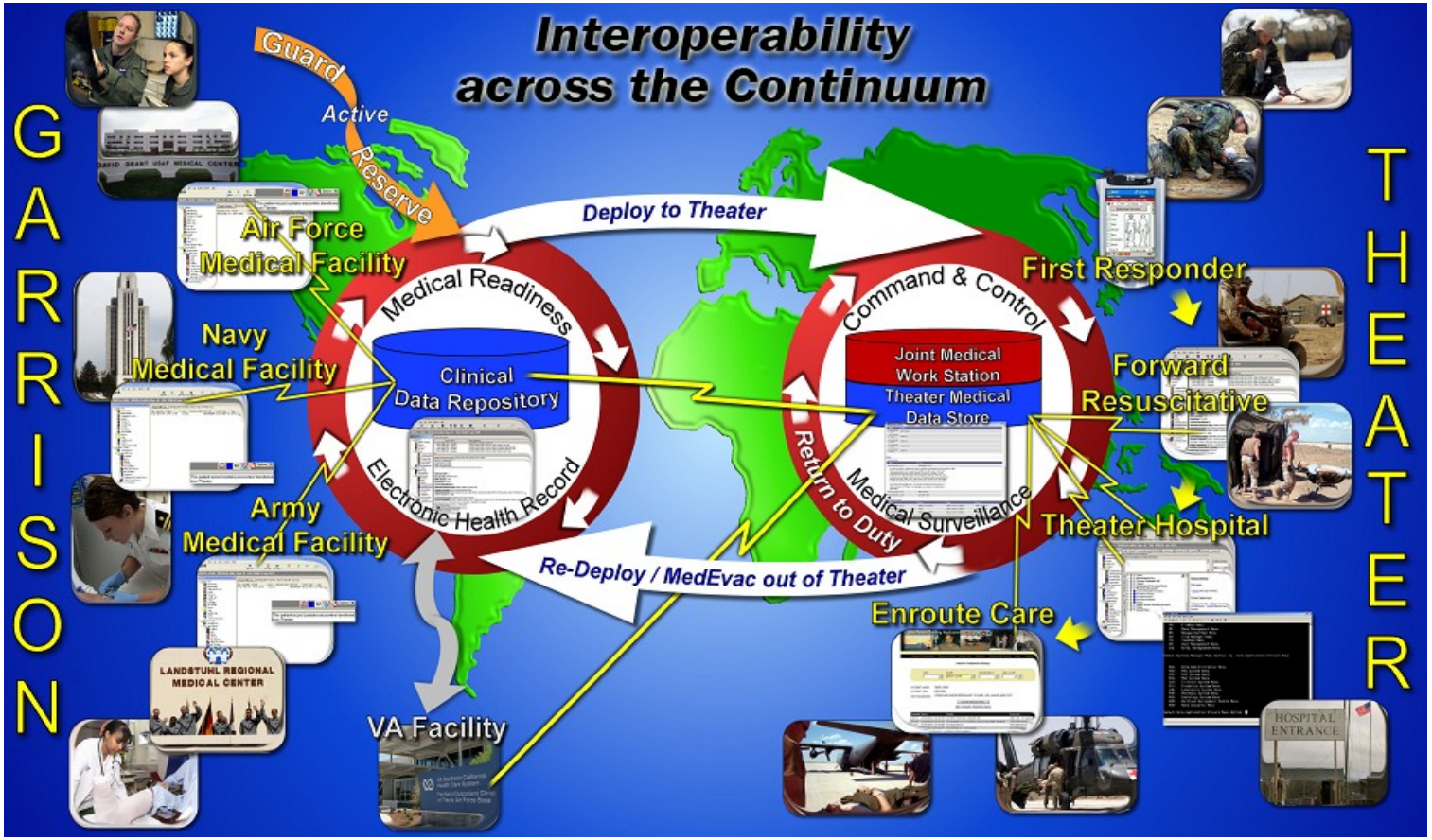
- 2011: 61%
- 2012: 62%
- 2014: 64%

“No Higher Priority”

“They deserve the very best facilities and care to recuperate from their injuries and ample assistance to navigate the next step in their lives, and that is what we intend to give them. Apart from the war itself, this department and I have no higher priority.”

Robert Gates
Secretary

Continuum of Care



Medical R&D Major Program Area

FY 2010 Appropriation (Includes Congressional Mark

Military Operational Medicine

Mild Traumatic Brain Injury
Injury Prevention & Reduction
Psychological Health & Resilience
Physiological Health
Environmental Health & Protection

$350M

Clinical and Rehabilitation Medicine

Regenerative Medicine
Neuromusculoskeletal Injury
Acute/Chronic Pain Mgmt
Sensory System Injury
Cancer
Muscular Dystrophy
Multiple Sclerosis
Autisim
Diabetes

$500M

Health IT, Medical Training and Simulation

EHR Applications
Med-Surgical
Simulation
Technologies
Skills
Retention/Transference
Re-entry

$175 M

Radiation Health Effects

Diagnostic Biodosimetr
Countermeasures
- *Protection*
- *Treatment*

$10M

Combat Casualty Care

Damage Control Resuscitation
Penetrating Traumatic Brain Injury
Combat Trauma Therapies
Health Monitoring & Diagnostic Technology

$200M

Infectious ases

Wound Infection
- *Prevention*
- *Management*
- *Treatment*

Pathogen Detection
HIV Prevention
H1N1 Diagnostics

$50M

ual values subject to scientific/program review of proposals, awards & research support co

Cost Containment

"I think we need to lay out for Congress how health care is eating the department alive... In the fiscal 2010 request, health care costs $47 billion....

"We will spend on health care what the entire foreign affairs budget is...."

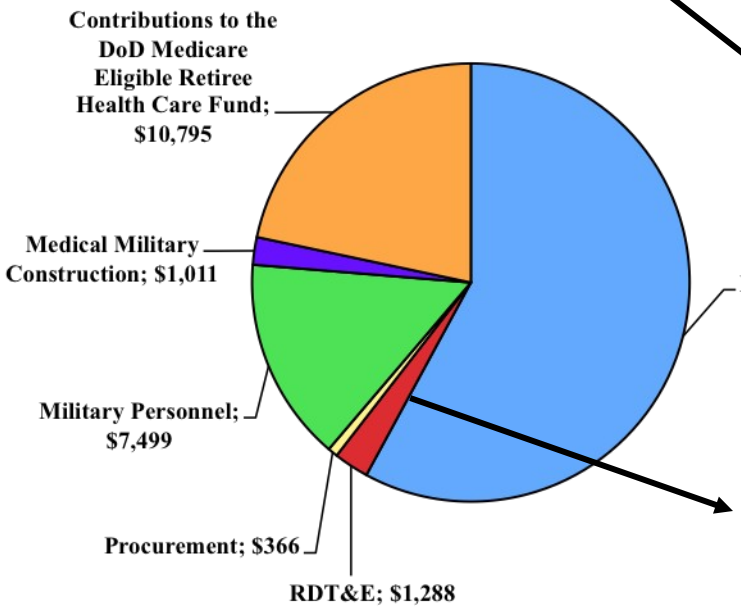
– Secretary Robert Gates
April 7, 2009

Cost Containment

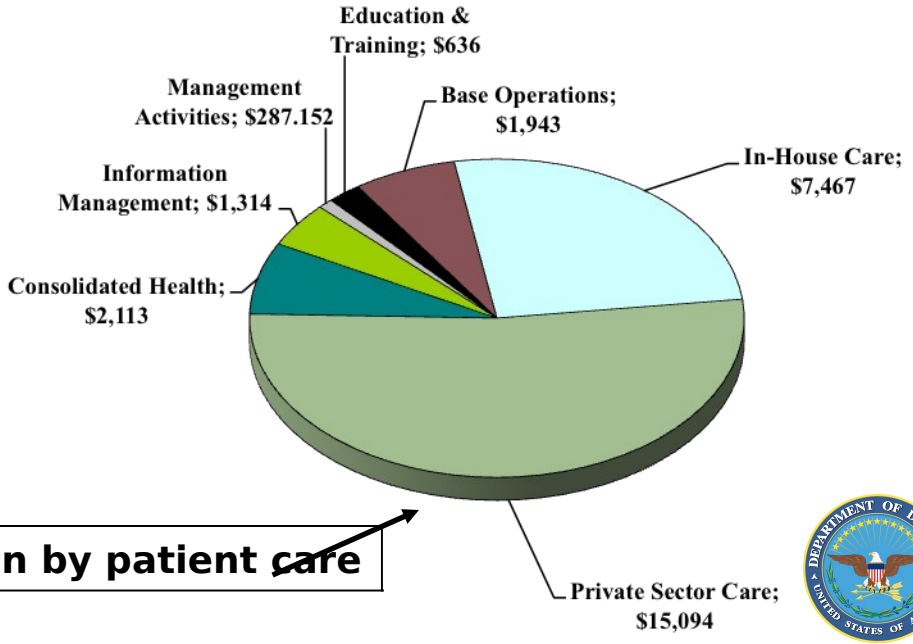
What is Driving DoD Health Care Costs?

FY 2010 DoD Health Care Cost
$49,818M

80% of total cost driven by either contributions to MERCHF or O&M

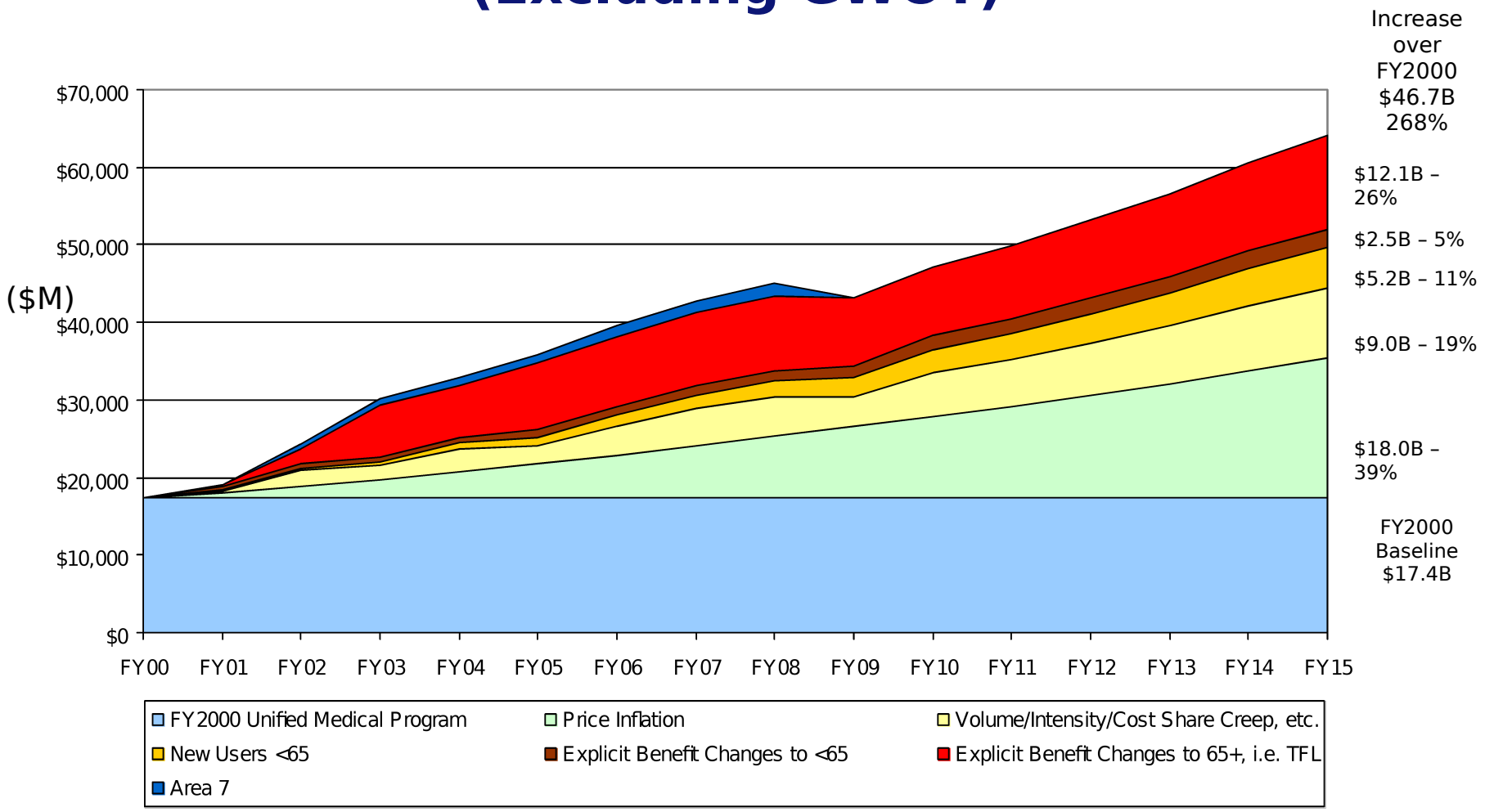

Contributions to the DoD Medicare Eligible Retiree Health Care Fund; $10,795
Medical Military Construction; $1,011
Operation & Maintenance; $28,857
Military Personnel; $7,499
Procurement; $366
RDT&E; $1,288

O&M ($28,857M)



78% of O&M driven by patient care

Growth in the Unified Medical Budget
(Excluding GWOT)



Volume/Intensity/CostShare Creep, etc is the residual after all explicit causes have been removed
New users accounts for increase in percentage of eligible beneficiaries under 65 who rely on TRICARE (See Slide 11 for trend)
Explicit Benefit Changes <65 are estimates base on legislative changes to the benefit (See Slide 8 for examples)
Explicit Beenfit Changes to 65+ is the Normal cost to the department minus the Level of Effort for MTF Care prior to the MERCHF

DoD Health Benefits

1940s-1950s

Title 10 Legislated Benefit

Space Required for Active Duty

Space Available for Families and Retirees

1966

CHAMPUS Legislated Benefit

Civilian Health Care where MTFs do not exist.

Families and Retirees <65

1993

TRICARE Managed Care Legislation

Automatic enrollment for Active Duty

Space Required for TRICARE Prime enrollees

Space Available for Non-enrollees

1995-1998

TRICARE Triple Option Benefits

Prime, Extra and Standard

TRICARE Senior Prime Demonstration

1999-2000

Further Expansion:

Prime Remote for Active Duty

TRICARE provider rates >=Medicare

Beneficiary Counseling & Assistance Coordinators

Enhanced Benefit

2001

Catastrophic Cap Reduced to $3,000

Enhanced TRICARE Retiree Dental Program

TRICARE Senior Pharmacy

Elimination of Prime Co-pays for AD Family Members

Extension of Medical and Dental Benefits to Survivors

School Physicals

Entitlement for Medal of Honor Recipients

TRICARE Prime Travel Entitlement

Chiropractic Care Program

2002

TRICARE Plus

TRICARE For Life

TRICARE Prime Remote for AD Family Member

2003

TRICARE Online

TRICARE implements HIPPA Patient Privacy Standard

Elimination of AD Family Member Co-Pays

2004

Transitional Assistance Management Program (TAMP) Expansion

Guard/Reserve TRICARE (Early Eligibility, Reserve Family Demo)

Elimination of Non-Availability Statements

2006

Extended TRICARE benefits for dependents whose sponsor dies on Active Duty

Limit deductibles/co-pays for nursing home residents under the Pharmacy Program

Enhancement of TRICARE Reserve Select coverage

2007

Expansion of TRICARE Reserve Select coverage to All Reservists

Three year Extension of Joint DoD/VA Incentive Program

Planning/Management – Claims Processing Standardization

Expanded Disease Management Programs

Coverage of Forensic Exams for Sexual Assaults

Dental anesthesia for pediatric cases

2008

Wounded Warrior Benefits

2009

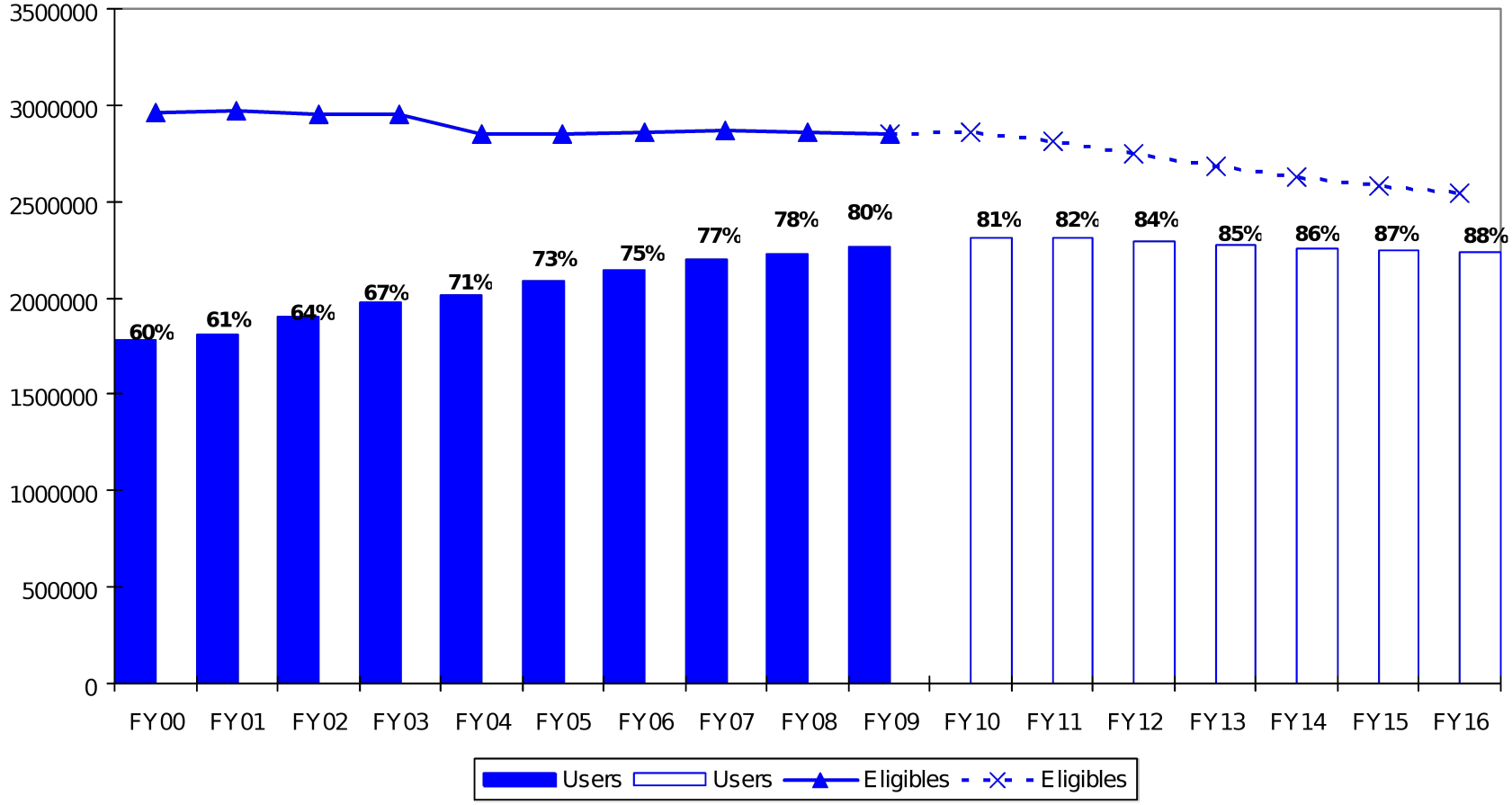
Elimination of preventive copays for Standard

Increase in ECHO cap

TAMP for AD joining theSel Res

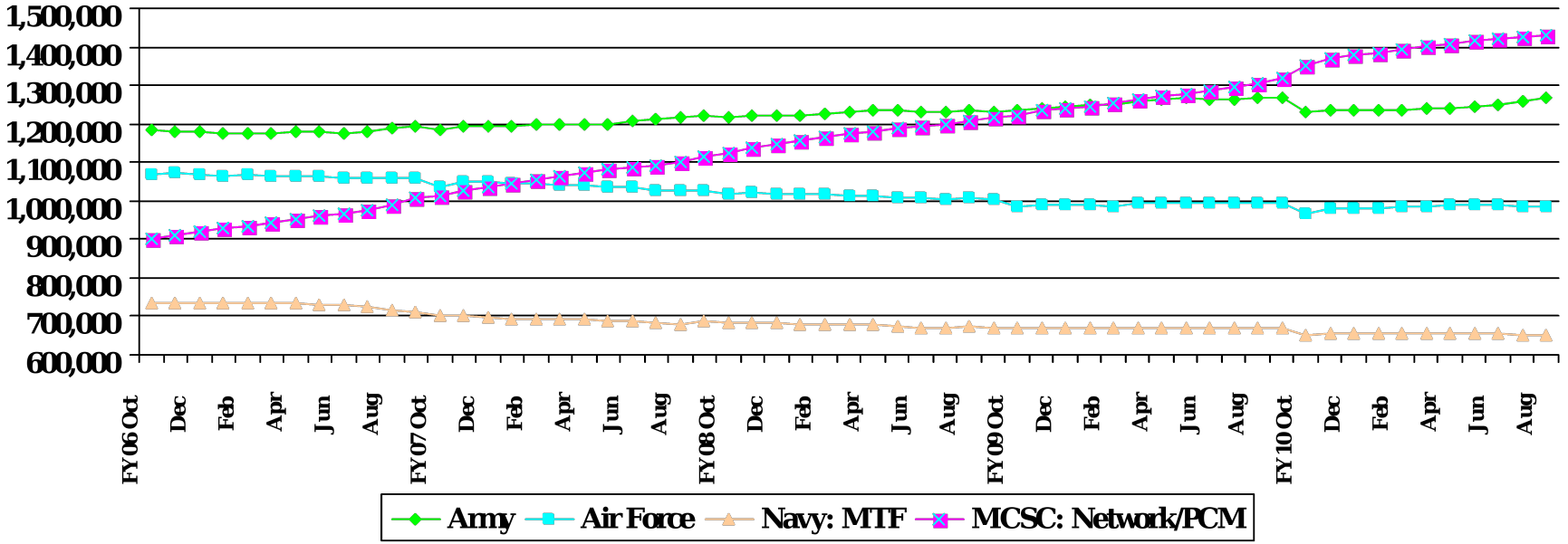
Smoking cessation program

Proportion of Retirees <65 Using TRICARE Is Increasing



Number of eligibles is a count from DEERS of Retirees, Retiree Family Members or Survivors at the end of the year. Projected number of eligibles is based on MCFAS. User defined as an eligible beneficiary using either an MTF or Private Sector Care for at least one visit during the year. Projected number of users is an extrapolation of current trends.

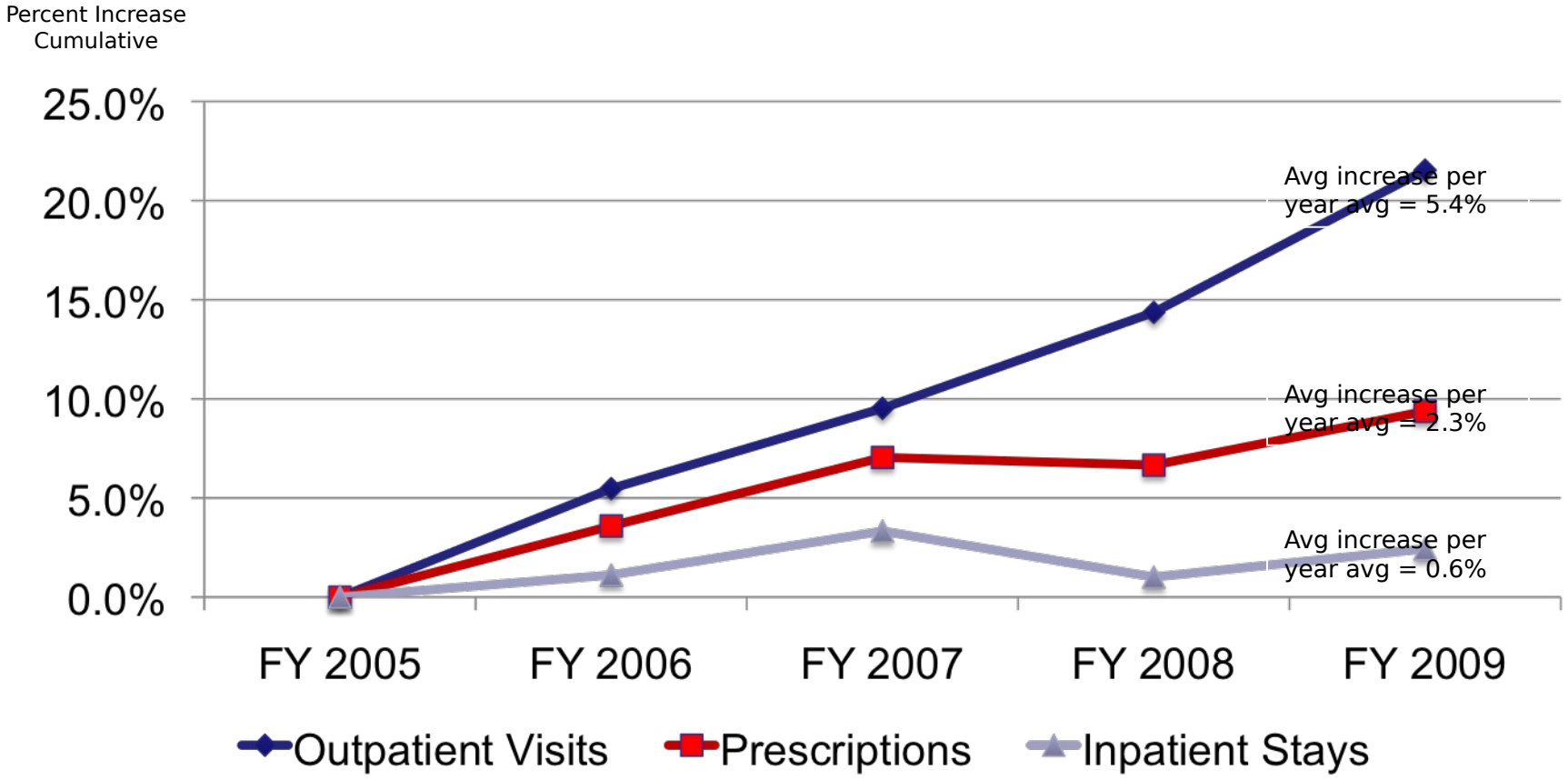
Total Enrollees (TRICARE Prime)



	2006	2007	2008	2009	2010
Army	1,185,916	1,204,571	1,227,811	1,256,134	1,243,641
Air Force	1,068,708	1,040,967	1,012,083	991,889	983,368
Navy: MTF	734,557	694,770	677,135	669,940	654,870
Navy: OP Forces	162,932	183,506	194,970	199,335	206,936
Coast Guard	23,313	26,293	27,587	28,516	28,927
MCSC: Network/PCM	954,926	1,069,105	1,174,283	1,267,827	1,398,372
MCSC: TRICARE Prime Remote	182,194	185,150	196,555	211,717	219,724
USTF	93,947	95,971	99,970	103,714	107,925
MHS Total	4,406,493	4,500,332	4,610,395	4,729,072	4,843,764

TRICARE Prime enrollees on average are costlier than Standard/Extra users

Healthcare Utilization Trends



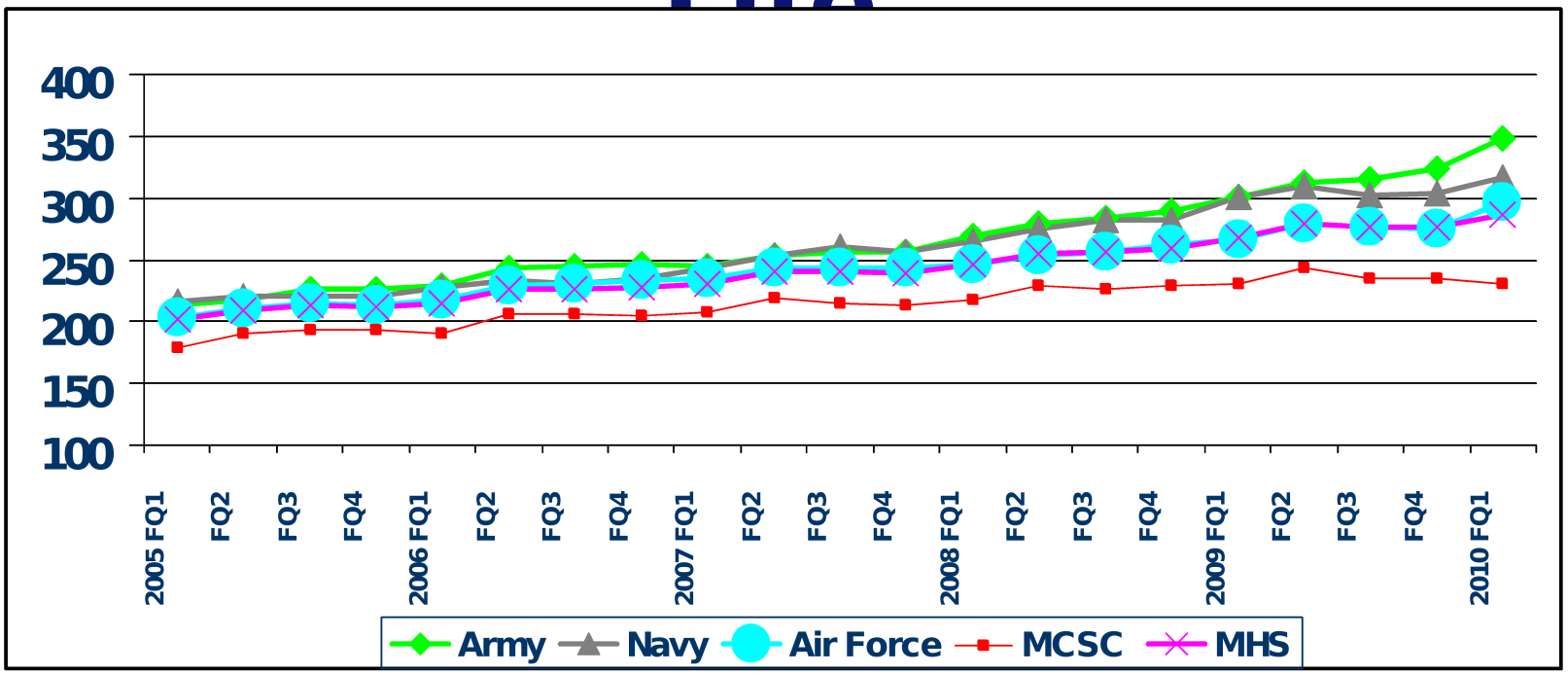
Outpatient visits – displayed data incorporates a standardized weighted visit that is adjusted for varying degrees of healthcare complexity

Prescriptions – uses an adjusted 30 day prescription to normalize military treatment facility, retail pharmacy, and mail order pharmacy

Inpatient stays – displayed data incorporates a standardized weighted stay that is adjusted for varying degrees of healthcare complexity

includes inpatient acute care hospital encounters but excludes residential inpatient treatment, counted as bed days

Medical Cost Per Equivalent Life



Prior Qtr / Current Qtr

	FY05 YTD	FY06 YTD	FY07 YTD	FY08 YTD	FY09 Q1	FY09 Q2	FY09 Q3	FY09 Q4	FY09 YTD	FY10 Q1	FY10 YTD
Army	221	241	249	280	301	312	316	324	314	348	348
Navy	219	231	249	276	301	309	303	304	304	317	317
Air Force	211	227	236	255	267	279	276	275	274	296	296
MCSC: Network/PCM	189	202	214	226	230	244	235	235	236	231	231
MHS Total	209	224	234	255	268	279	276	277	275	287	287

Definition, Target, Parameters

Data Source: M2 (SIDR/SADR/HCSR-I/HCSR-NI,PDTS); EASIV; Enrollees are adjusted for Age/Gender/Bencat
Current as of Jul 10, with measure reported through Dec 09. (Portions of value are projected due to missing expense data from MTFs.)

Average Annual % Increase: Army: 11.9% Navy: 10.6% AF: 8.0% MCSC: 6.0%

CARING FOR AMERICA'S HEROES

Questions?

DEPARTMENT OF DEFENSE
UNITED STATES OF AMERICA

Caring for America's Heroes

Dr. George Peach Taylor, Jr.
Performing the Duties of
Assistant Secretary of Defense for Health Affairs

MHS Capstone Symposium
October 18, 2010

BACK-UP

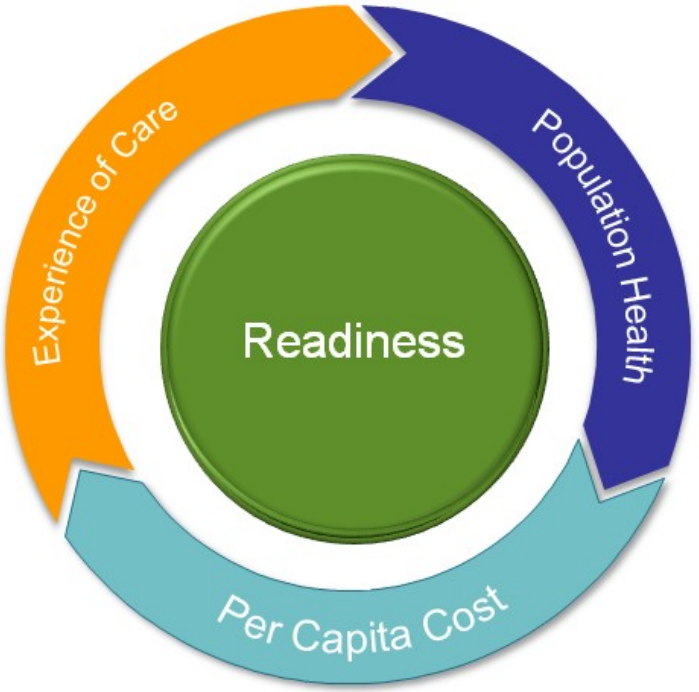
The Quadruple Aim

Enabling a medically ready force, a ready medical force, and resiliency of all MHS personnel.

Improving quality and health outcomes for a defined population. Advocating and incentivizing healthy behaviors.

Patient and family centered care that is seamless and integrated. Providing patients the care they need, exactly when and where they need it.

Managing the cost of providing care for the population. Eliminate waste and reduce unwarranted variation; reward outcomes, not outputs.



The Quadruple Aim

Readiness
Ensuring that the total military force is medically ready to deploy and that the medical force is ready to deliver health care anytime, anywhere in support of the full range of military operations, including humanitarian missions.

Experience of Care
Providing a care experience that is patient and family centered, compassionate, convenient, equitable, safe and always of the highest quality.

Population Health
Reducing the generators of ill health by encouraging healthy behaviors and decreasing the likelihood of illness through focused prevention and the development of increased resilience.

Per Capita Cost
Creating value by focusing on quality, eliminating waste, and reducing unwarranted variation; considering the total cost of care over time, not just the cost of an individual health care activity.

24